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MEMORANDUM

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TO:

All Parties of Record

All Interested Parties

2008 APR 24 P 3: 26

AZ CORP COMMISSION DOCKET CONTROL

FROM:

Ernest G. Johnson, Director, Utilities Division

DATE:

April 24, 2008

RE:

IN THE MATTER OF THE COMMISSION'S FIFTH BIENNIAL TRANSMISSION ASSESSMENT ("BTA"), PURSUANT TO A.R.S.40-360.02G, OF THE ADEQUACY OF EXISTING AND PLANNED TRANSMISSION FACILITIES TO MEET ARIZONA'S ENERGY NEEDS IN

A RELIABLE MANNER (Docket No. E-00000D-07-0376)

This shall serve as an advance notice of the initial workshop in the matter of the Arizona Corporation Commission's ("ACC" or "Commission") fifth Biennial Transmission Assessment. The formal notice of the workshop will be issued by the Commission at a later date. Workshop notices, agendas, presentations and draft reports will be posted on the Commission website under the tab "HOT TOPICS" throughout the BTA process. The location, date and time of the first BTA workshop is provided below.

LOCATION: Arizona Industrial Commission Auditorium

800 W. Washington Street Phoenix, AZ 85007

DATE

May 22, 2008

TIME:

9:00 a.m. - 4:30 p.m.

May 23, 2008

9:00 a.m. - 1:00 p.m.

The Commission has retained the consulting firm of K.R. Saline & Associates ("KRSA") to assist the Utilities Division Staff ("Staff") in the coordination and preparation of the Fifth BTA. A preliminary workshop agenda has been attached. Please consider the agenda and attached list of questions offered by KRSA and Staff as you prepare for the upcoming workshop. Questions or inquiries regarding the upcoming workshop should be made directly to the following key KRSA personnel involved with the Fifth BTA:

Project Manager Laurie A. Woodall law@krsaline.com (480) 610-8741 Arizona Corporation Commission DOCKETED

APR 24 2008

Technical Advisor Jerry D. Smith P.E. jds@krsaline.com (480) 610 8741



Your participation and contribution in the upcoming 2008 BTA process is welcomed and encouraged. Please provide Staff Engineer Prem Bahl and KRSA personnel any information or material you feel would be beneficial to this assessment of the Arizona transmission system. Mr. Bahl can be reached at (602) 542-7269.

Director

Utilities Division

EGJ:PKB:red

ORIGINATOR: K.R. Saline and Associates

Attachments: Preliminary Agenda

Workshop Questions

PROPOSED AGENDA

2008 BTA Workshop 1

May 22: 9:00 AM - 4:30 PM and May 23: 9:00 AM - 1:30 PM
Arizona Industrial Commission Auditorium
800 W. Washington
Phoenix, Arizona

1. Introductions and Workshop Overview

Staff/KRSA

2. National and Regional Transmission Issues

- Panel A
- a. Newly defined FERC/NERC/WECC Transmission Planning Requirements
- b. WestConnect Transmission Initiatives and Planning Update
- c. SWAT Subregional Planning Update
- 3. Commission Ordered BTA Requirements

Panel B

- a. Arizona Renewable Energy Transmission Assessment
- b. N-1-1 Studies
- c. RMR Studies
- d. Extreme Contingency Studies
- 4. Presentation of Entities' Ten Year Transmission Plans
 - a. Interstate and Merchant Transmission Projects

Panel C

b. Market and Generation Interconnection Driven Transmission Projects

Panel D

c. Load Serving Entities Transmission Plans

Panel E

5. Other Transmission Related Topics of Interest

Note: The agenda may expand or contract in order to incorporate items suggested by potential workshop participants. The order of the agenda items may also change to accommodate those with limited opportunity to attend or present topics. The makeup of the various panels is still being developed and confirmed but is conceptually defined below.

- Panel A Charlie Reinhold, Rob Kondziolka
- Panel B APS, SRP, TEP/UNS Electric
- Panel C Palo Verde to Devers 2, Sun Zia, TransWest Express and any others that have filed
- Panel D Welton Mohawk Irrigation and Drainage District, Santa Cruz Water and Power District, WAPA
- Panel E APS, SRP, SWTC, TEP/UNS Electric

2008 BIENNIAL TRANSMISSION ASSESSMENT Workshop 1 – May 22 & 23, 2008 Preparatory Inquiries

For all prospective workshop attendees and participants:

- 1. What transmission related topics or policy issues do you desire to have added to the proposed agenda?
- 2. What specific FERC/NERC/WECC policy, standards or mandatory reliability requirements would you recommend that the Commission consider in its evaluation of Arizona's transmission adequacy assessment?

Please notify Laurie Woodall or Jerry Smith of KRSA via e-mail or phone by May 9, 2008, of any responses you may have regarding the above questions.

For all parties that filed ten year plans:

A.R.S. § 40-360.02.A. requires that "every person contemplating construction of any transmission line within the state during any ten year period shall file a ten year plan with the commission on or before January 31 of each year."

A.R.S. § 40-360.02.C.7. requires that "the plans for any new facilities shall include a power flow and stability analysis report showing the effect on the current Arizona electric transmission system. Transmission owners shall provide the technical reports, analysis or basis for projects that are included for serving customers load growth in their service territories."

Please plan on making a power point presentation of your transmission plan at the workshop and incorporate a response to the following items.

- 3. Describe all technical studies that were performed in support of your filed transmission plan?
- 4. List all reports that exist for the studies identified in item 3 and identify which reports were not included in your ten year plan filing.
- 5. Identify all transmission projects in your transmission plan for which power flow and stability analyses have not been performed or for which reports have not been filed. Describe how and when do you intend to respond with the required studies and reports?
- 6. Describe any stakeholder input and review that occurred regarding your transmission plan.
- 7. Please identify the subregional transmission planning forum(s) in which your transmission plan was addressed. Were your project(s) or planned facilities studied in that forum? Did your project(s) or plan undergo a peer review in that subregional forum and were they incorporated in the subregional plan?
- 8. Identify all projects in your filed transmission plans that were not addressed in a subregional transmission planning forum as described in item 7.